



State of Washington  
Department of Revenue

# Excise Tax Advisory

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Excise Tax Advisories (ETA) are interpretive statements issued by the Department of Revenue under authority of RCW 34.05.230. ETAs explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

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## SALES OF FLOUR TO GOVERNMENT FOR EXPORT

Issued August 12, 1966

Does the sale of flour to the Federal Government for export grant the status of foreign commerce to the sale?

The taxpayer, a flour manufacturer, sold flour to the Federal Government for export. The flour was delivered to the Seattle Port of Embarkation specially packaged for export. The taxpayer contended that these sales were made in foreign commerce and exempt from state taxation.

Rule 193 provides that there must be a certainty of export and the actual process of export must have started before a deduction is allowed for export sales. The seller must obtain and keep in his files a bone fide bill of lading which shows himself as consignor and that the carrier agrees to transport the goods to a foreign destination. The Federal Government was the actual exporter of the goods and thus the taxpayer was unable to provide the required documentation. The taxpayer made a sale of goods to the Federal Government within the state and therefore the gross receipts from these sales were within the Retailing classification of the Business and Occupation Tax. The fact that the goods were specially packaged for export was held immaterial as this alone did not establish a certainty of export nor that the process of export had begun.

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***ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.***

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